

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,)	
regarding the regulatory reviews, revisions,)	
determinations, and/or approvals necessary for)	Case No. U-18267
WISCONSIN ELECTRIC POWER COMPANY)	
to fully comply with Public Act 295 of 2008, as)	
amended by Public Act 342 of 2016.)	
_____)	

At the December 7, 2017 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Norman J. Saari, Commissioner
Hon. Rachael A. Eubanks, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On March 28, 2017, the Commission opened this docket and directed Wisconsin Electric Power Company (WEPCo) to file its energy waste reduction (EWR) plan for the 2018 and 2019 calendar years, as required by Public Act 295 of 2008, as amended by Public Act 342 of 2016. On July 3, 2017, WEPCo filed an application, with supporting testimony and exhibits, for approval of its EWR plan for the 2018 and 2019 calendar years.

A prehearing conference was held on August 17, 2017 before Administrative Law Judge Martin D. Snider, at which he granted a petition to intervene filed by Tilden Mining Company L.C. The Commission Staff also participated in the proceedings. Subsequently, the parties submitted a settlement agreement resolving all the issues in the case.

The Commission has reviewed the settlement agreement and finds that the public interest is adequately represented by the parties who entered into the settlement agreement. The Commission further finds that the settlement agreement is in the public interest, represents a fair and reasonable resolution of the proceeding, and should be approved.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. Wisconsin Electric Power Company's energy waste reduction plan for the 2018 and 2019 calendar years, including Attachment A to the settlement agreement, is approved.
- C. Within 15 days of the date of this order, Wisconsin Electric Power Company shall file a tariff sheet substantially similar to that attached as Attachment A to the settlement agreement.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, under MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungp1@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Norman J. Saari, Commissioner

Rachael A. Eubanks, Commissioner

By its action of December 7, 2017.

Kavita Kale, Executive Secretary

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SETTLEMENT AGREEMENT

Pursuant to MCL 24.278 and Rule 431 of the Rules of Practice and Procedure before the Michigan Public Service Commission ("Commission"), Mich Admin Code, R 792.17431, Wisconsin Electric Power Company ("Wisconsin Electric" or the "Company"), the Commission Staff ("Staff"), and Tilden Mining Company L.C. ("Tilden"), agree as follows:

1. On March 28, 2017, the Commission issued its Order in Case No. U-18260 et al., opening the docket in this matter and directing Wisconsin Electric to file its energy waste reduction ("EWR") plan for the 2018 and 2019 calendar years by July 3, 2017. On July 3, 2017, Wisconsin Electric filed its Application and the supporting testimony and exhibits of Eric Alan Rogers.

2. On July 14, 2017, the Commission's Executive Secretary issued the Notice of Hearing in this proceeding directing Wisconsin Electric to: (i) mail a copy of the Notice of Hearing to all cities, incorporated villages, townships and counties in its Michigan electric service area and to intervenors in Case No. U-17777; (ii) publish the Notice of Hearing in daily newspapers of general circulation throughout its Michigan electric service area; and (iii) serve upon each person who had petitioned to intervene a copy of the written direct testimony of its

proposed witnesses and the proposed exhibits as filed with the Commission. On August 2 and 11, 2017, the Company electronically filed its affidavit of mailing, proofs of publication, and proof of service in compliance with these notice directives.

3. On August 17, 2017, Administrative Law Judge (“ALJ”) Martin D. Snider conducted the prehearing conference. Tilden was granted intervenor status, and the Company, Staff and Tilden participated in the prehearing conference. A case schedule was also established.

4. Following the prehearing conference, the parties participated in settlement discussions and agree as follows:

a. The Company’s EWR plan meets the requirements of 2008 Public Act 295 as amended by 2016 Public Act 342, is reasonable and in the public interest, and should be approved by the Commission.

b. In connection with electric services, the Company shall pay \$1,380,337 to the independent EWR program administrator for 2018. The payment and surcharges for 2019 will be finalized as actual 2017 revenues become known. Each annual amount shall be paid to the EWR administrator in equal monthly installments over the applicable calendar year.

c. Effective for service rendered on and after January 1, 2018 the Company shall charge the EWR surcharges as set forth on the tariff sheets attached hereto as Attachment A.

d. The Company shall continue to file reconciliations for each calendar year for the preceding calendar year's revenues and costs in accordance with due dates established by the Commission. The Company shall file with the Commission an application, including supporting testimony and exhibits: (1) reconciling for the period

covered, the revenue billed; with (a) actual costs, *i.e.* payments made to the EWR program administrator, for purposes of determining interest on any over-recoveries and under-recoveries; and (b) the levelized revenue requirements, for purposes of determining revised EWR surcharges; (2) calculating revenue over-recovery or under-recovery in total and by each major customer class; (3) including interest at the Company's short-term borrowing rate on any over-recoveries and under-recoveries; and (4) if appropriate, proposing revised EWR surcharges, which shall include an amount designed to true-up such reconciliation amounts.

5. All of the parties are of the opinion that this settlement agreement is reasonable, prudent and will aid in the expeditious conclusion of this case.

6. This settlement agreement is entered into for the sole and express purpose of reaching a compromise among the parties. All offers of settlement and discussions relating to this settlement are considered privileged under MRE 408. If the Commission approves this settlement agreement without modification, neither the parties to the settlement nor the Commission shall make any reference to, or use this settlement agreement or the order approving it, as a reason, authority, rationale or example for taking any action or position or making any subsequent decision in any other case or proceeding; provided, however, such references may be made to enforce or implement the provisions of this settlement agreement and the order approving it.

7. Pursuant to Rule 431(6) of the Commission's Rules of Practice and Procedure, R 792.17431(6) the parties agree any order approving this settlement agreement shall not establish precedent for future proceedings and shall not be used as such. This settlement agreement is based on the facts and circumstances of this case and is intended as the final disposition of Case No. U-18267 only. If the Commission approves this settlement agreement, without modification,

the undersigned parties agree not to appeal, challenge or otherwise contest the Commission order approving this settlement agreement only.

8. This settlement agreement is not severable. Each provision of this settlement agreement is dependent upon all other provisions of this settlement agreement. Failure to comply with any provision of this settlement agreement constitutes failure to comply with the entire settlement agreement. If the Commission rejects or modifies this settlement agreement or any provision of this settlement agreement, this settlement agreement shall be deemed to be withdrawn, shall not constitute any part of the record in this proceeding or be used for any other purpose, and shall not operate to prejudice the pre-negotiation positions of any party.

9. The parties agree to waive Section 81 of the Administrative Procedures Act of 1969 (MCL 24.281), as it applies to the issues in this proceeding, if the Commission approves this settlement agreement without modification.

WISCONSIN ELECTRIC POWER COMPANY

Dated: November 15, 2017

By: _____

Michael
C.
Rampe

Digitally signed by: Michael C.
Rampe
DN: CN = Michael C. Rampe C =
US O = Miller Canfield
Date: 2017.11.15 08:33:02 -04'00'

Its Attorney
Michael C. Rampe (P58189)
MILLER, CANFIELD, PADDOCK and STONE, P.L.C.
One Michigan Avenue, Suite 900
Lansing, Michigan 48933
(517) 487-2070

MICHIGAN PUBLIC SERVICE COMMISSION STAFF



Dated: November 15, 2017

By: _____

Its Attorney
Michael J. Orris (P51232)
Assistant Attorney General
Michigan Public Service Commission
7109 W. Saginaw Highway
Lansing MI 48917
(517) 284-8140

TILDEN MINING COMPANY L.C.

Jennifer Utter
Heston

Digitally signed by Jennifer
Utter Heston
Date: 2017.11.15 09:19:02
-05'00'

Dated: November 15, 2017

By: _____

Its Attorney
Jennifer Utter Heston (P65202)
Fraser Trebilcock Davis & Dunlap PC
124 W Allegan St., Ste 1000
Lansing, MI 48933
(517) 482-5800

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Attachment A

M.P.S.C. No. 4 – Electric
Wisconsin Electric Power Company

Original Sheet No. D-5.00

ENERGY WASTE REDUCTION SURCHARGE

Customers on the following rate schedules shall receive a Delivery/distribution Energy **Waste Reduction** Surcharge per meter, per day, as indicated below. Company assumes one meter per service point.

<u>RATE SCHEDULE</u>	Customers without a Self-Directed Plan <u>RATE</u>	Customers with a Self-Directed Plan <u>RATE</u>
CpLC*	<u>\$3,783.48</u>	<u>\$378.35</u>

*Includes Mines Special Contracts customers.

Issued December 21, 2016
T. T. Eidukas
Vice-President,
Milwaukee, Wisconsin

Effective for service rendered on and
after January 1, 2017

Issued under authority of the
Michigan Public Service Commission
dated December 20, 2016
in Case No. U-18019